



# COMPENSATION POLICY

Originator:	Policy and Strategy Team
Approval date:	December 2021
Review date:	December 2024

<b>1</b>	<b>Introduction</b>
1.1	Pine Court Housing Association (PCHA) is committed to delivering quality services that consistently meet or exceed customers' expectations.
1.2	We recognise that occasionally the level of service provided may fail to achieve the agreed standards and this may result in inconvenience to our customers. In these circumstances, PCHA will consider making a discretionary offer of compensation.
1.3	This policy sets out the circumstances when discretionary compensation and gestures of goodwill will be considered by PCHA. It also highlights statutory obligations PCHA must comply with in paying compensation in relation to the following: <ul style="list-style-type: none"> <li>○ <b>Right to Repair</b> (introduced as part of the Citizens Charter Scheme 1<sup>st</sup> April 1994)</li> <li>○ <b>Right to Compensation for Improvements</b> (introduced as part of the Citizens Charter Scheme 1<sup>st</sup> April 1994)</li> <li>○ <b>Home Loss and Disturbance Payments</b> (Under the terms of the Land Compensation Act 1973 as amended)</li> </ul>
1.4	The Policy applies to all types of tenants of the Association or applicants for housing via PCHA's choice based letting scheme. The policy does not apply to other members of the public with whom the Association has no contractual relationship.
1.5	The application of this policy ensures compliance with the outcomes of the Regulatory Framework for Social Housing in England.
1.6	<b>Access and Communication</b>
1.6.1	PCHA is committed to ensuring that our services are accessible to everyone. We will seek alternative methods of access and service delivery where barriers, perceived or real may exist, that may make it difficult for people to work for us or use our services

<p>1.7</p> <p>1.7.1</p> <p>1.7.2</p> <p>1.7.3</p> <p>1.8</p>	<p><b>Equality, Diversity and Human Rights</b></p> <p>PCHA is committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following core strands of equality; Age, Disability, Gender, Race, Gender Identity / Gender Expression, Sexual Orientation, Religion and/or Belief, Marriage and Civil Partnership, Pregnancy and Maternity.</p> <p>PCHA also recognise that some people experience disadvantage due to their socio economic circumstances, employment status, class, appearance, responsibility for dependants, unrelated criminal activities, being HIV positive or with AIDS, or any other matter which causes a person to be treated with injustice.</p> <p>PCHA will endeavour to ensure that all services and actions are delivered within the context of current Human Rights legislation. Staff and others with whom we work, will adhere to the central principles of the Human Rights Act (1998).</p> <p>The policy should be read in conjunction with the :</p> <ul style="list-style-type: none"> <li>○ PCHA Complaints, Appeals and Feedback Policy</li> </ul>
<p><b>2</b></p>	<p><b>Statement of intent</b></p>
<p>2.1</p>	<p>In applying this policy, PCHA will constantly strive to improve the services it delivers to its customers. To this effect, PCHA will:</p> <ul style="list-style-type: none"> <li>• Aim to resolve problems quickly and effectively to the customer’s satisfaction and within agreed timescales</li> <li>• Apologise where service failure has been identified and where appropriate, follow this up in writing</li> <li>• Learn from mistakes and change the way services are delivered as a result and provide feedback to individuals / other customers via the website and regular publications</li> <li>• Comply with any recommendations to award compensation from the Housing Ombudsman</li> </ul>
<p><b>3</b></p>	<p><b>Policy</b></p>
<p>3.1</p> <p>3.1.1</p> <p>3.1.2</p>	<p><b>Service Failure – (Discretionary Compensation)</b></p> <p>For the purposes of this policy, PCHA makes a distinction between ‘compensation’ and ‘gestures of goodwill’ as follows:</p> <ul style="list-style-type: none"> <li>• <b>Compensation</b> – A payment of recompense for loss of service or out of pocket expense at a quantifiable rate or amount incurred by a complainant as a direct result of PCHA actions or failure to act</li> <li>• <b>Gesture of goodwill</b> – A payment made to maintain good relations between PCHA and a customer where inconvenience has been caused by PCHA actions or failure to act</li> </ul> <p>PCHA may choose to pay both compensation and gestures of goodwill together, however, each case will be assessed on its merits.</p>

3.1.3	The level of compensation and gestures of goodwill payable will be commensurate with the level of inconvenience, stress, disturbance or annoyance suffered by the customer and the level to which PCHA have been directly responsible.
3.1.4	In all claims for compensation, PCHA will look to replace damaged / destroyed items rather than award monetary value. Where this is the case, customers may be asked to provide receipts or proofs of purchase or up to three quotes to replace or repair the damaged or destroyed items.
3.1.5	Where it is not possible to replace the destroyed or damaged items, PCHA will award the compensation in monetary terms that will take into account wear and tear value. PCHA will not be liable to pay a compensation on a new for old basis.
3.1.6	PCHA will not pay compensation for damage or loss of items/property that is supposed to be covered by customer's own Contents Insurance Policy (i.e. damage or loss to property caused by flood, fire etc.).
3.2	<b>Statutory Compensation</b>
3.2.1	<b>Right to Repair</b>
3.2.2	PCHA will comply with requirements of the Right to Repair legislation in regards to compensation for qualifying repairs.
	<p>A qualifying repair must meet the following criteria:</p> <ul style="list-style-type: none"> <li>• The repair must have a prescribed response timescales of either 1, 3 or 7 days unless the customer has requested otherwise</li> <li>• The repair must not cost more than £250 to complete; and</li> <li>• The response time must take into account the special needs of the tenant or leaseholder including their health, safety or security</li> </ul>
3.2.3	If contractors acting on PCHA's behalf fail to complete qualifying repairs within the set time, the tenant or leaseholder should inform PCHA that the repair has not been done.
3.2.4	<p>In such cases PCHA will instruct an alternative contractor to complete the repair and will inform the tenant or leaseholder of the revised deadline for completing the work. Failure to complete the repair within the revised deadline will result in compensation being payable as follows:</p> <ul style="list-style-type: none"> <li>• £10 – one off payment; and</li> <li>• £2 for each day the repair continues to be outstanding after the revised time period (up to a maximum of £50)</li> </ul>
3.2.5	Right to Repair compensation will not be payable if exemptions are identified including missed appointments by the tenant or leaseholder or if the repair value exceeds £250. <b>Right to</b>

### 3.3 Compensation for Improvements

3.3.1 The Right to Compensation for Improvements applies to tenants who made improvements to their home and have reached the end of their tenancy. To be eligible for the Right to compensation scheme the improvements must be on the list of qualifying items as follows:

Qualifying Improvements	Notional Life
Bath, shower, wash-hand basin or toilet	12 years
Kitchen sink, work surfaces for food preparation, storage cupboards in kitchen or bathroom	10 years
Space or water central heating	12 years
Thermostatic radiator valves	7 years
Insulation of pipes, water tank or cylinder	10 years
Loft or cavity wall insulation	20 years
Draft proofing of external doors and windows	8 years
Double glazing or other external window replacement or secondary glazing	20 years
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15 years
Any object which improves security of the dwelling house, but excluding burglar alarms	10 years

3.3.2 The following are the component lifetimes, which PCHA will use to calculate payments under the Right to Compensation scheme.

Component	Investment Lifecycle (Years)
Bathroom	30
Kitchen	20
Boiler	15
Radiators	30
Windows & Doors	30
Roofs	60

3.3.3 To qualify for Right to Compensation for Improvements tenants must:

- Have received written consent from PCHA for the improvement to be carried out
- Provide three estimates for the work by reputable contractors and have an estimate agreed, in writing by PCHA
- Request compensation from PCHA no longer than 14 days after the tenancy end date

3.3.4 Tenants can claim compensation for the cost of materials including employed labour but not appliances and their own labour. The amount payable can be up to £3,000 for any one improvement but claims cannot be submitted for improvements that are £50 or less in value.

3.3.5 The amount of compensation payable is calculated taking into account depreciation of the improvement. Depreciation is calculated by the cost of the improvement times the number of complete years it has been installed divided by the notional life.

**3.3.6** Right to Compensation for Improvements will not be payable to tenants that apply to purchase their home through the Right to Buy / Right to Acquire schemes or where the tenancy is ended through possession proceedings.

## **3.4 Home Loss and Disturbance Payments**

### **3.4.1 Home Loss Compensation**

**3.4.1.1** This is paid to the residents who have been permanently displaced from their homes as a result of any improvement or redevelopment by PCHA. Residents are entitled to the compensation for the loss of their home as stipulated in the Home Loss Payment (prescribed amount) (England) Regulations (as amended and in force at the time of the displacement).

**3.4.1.2** This will be paid as a flat rate as set by the Government and will only be paid where the resident has been residing in the property for a minimum of one year. Outstanding payments (e.g. arrears and recharges) will be offset against any Home Loss Payment offered.

### **3.4.2 Disturbance Payment**

**3.4.2.1** Under the Land Compensation Act 1973, residents will be eligible for Disturbance Payment for the reasonable costs of moving from the land. Where the resident is carrying on a trade or business (as authorised by PCHA), the reasonable cost will include the reasonable loss suffered due to the disturbance caused to that business. PCHA will pay disturbance allowance for the following:

- Disconnection and reconnection of appliance and utilities
- Where applicable, removals (including returning to the property)
- Installation of disability aids and adaptations where PCHA has failed to find a pre-fitting adapted house for the resident.

**3.4.2.2** Residents who wish to claim Disturbance Payments should provide receipts for the claimed items or alternatively PCHA may in certain circumstances arrange for services direct e.g. removals and where this occurs no payments will be made for this element to the customer.

### **3.4.3 Discretionary Disturbance Payments**

**3.4.3.1** PCHA will offer Discretionary Disturbance Payments to cover those moving on a temporary basis for both the move to a decanted property, and the move back to their substantive property. PCHA may also consider the use of Discretionary Payments where residents have been residing at their property for less than one year and do not qualify for Home Loss Compensation.

**3.4.3.2** A resident is not regarded as permanently displaced if:

- There is intention to move the resident back to his/her original home on completion of works
- A person has opted to stay in the decanting property rather than move back to his/ her original home

<b>4</b>	<b>Implementation</b>
4.1	Tenants will automatically be advised of their right to claim compensation under the Right to Repair by the PCHA CSC when this applies. Where Home Loss and Disturbance payments apply, PCHA will provide written notification to tenants and advice on how this will be administered.
4.2	Where tenants or applicants believe there has been a service failure by PCHA and compensation should apply they can log a complaint by contacting the PCHA CSC via telephone, e-mail, in writing or by contacting staff in person. PCHA will provide information in alternative formats where this has been requested by the service user.
4.3	Where appropriate, PCHA staff may automatically instigate discretionary compensation payments (approved by an Authorising Officer) without the tenant or applicant having to make a request, where they believe this to be a suitable means of providing redress for PCHA service failure. This will include cases where there may be a fault or issue that affects multiple customers e.g. in communal parts of PCHA owned buildings.
4.4	When assessing requests for compensation, PCHA reserves the right to clear any debts owed by the tenant or applicant to the association, including rent arrears, from any proposed payment. Following the offset any balance remaining will be paid direct to the customer.
4.5	Where staff or partner agencies working on behalf of PCHA cause loss or damage to personal property or injury to tenants, this may be an insurance issue and not a claim for compensation.
4.6	Where compensation is payable, PCHA will make payment to the tenant, leaseholder or applicant by BACS payment direct to their bank account, cheque / voucher or to their rent account if it is in arrears. PCHA will not make cash payments.
4.7	Where compensation is payable, PCHA will make payment to the tenant or applicant by cheque / voucher or to their rent account if it is in arrears including rechargeable repairs. PCHA will not make cash payments.
4.8	PCHA will monitor all compensation payments that are made as part of good financial management (with internal verification checks for all payments that are authorised).
<b>5</b>	<b>Performance</b>
5.1	PCHA will monitor and report on the total levels of compensation and gestures of goodwill paid on an annual basis.
<b>6</b>	<b>Consultation</b>
6.1	The Customer Empowerment Panel has been consulted about the development of this Policy. All PCHA staff have also been consulted in the development of this Policy.
<b>7</b>	<b>Review</b>
7.1	The Policy will be reviewed every three years, (from the date of approval) by the Operations Director of PCHA with delegated authority from the board, to ensure continuing suitability,

	adequacy and effectiveness or as required by the introduction of new legislation or regulation that impacts on the obligations of PCHA to provide compensation.		
<b>8</b>	<b>Equality Impact Assessment</b>		
8.1	Was a full Equality Impact Assessment (EIA) required?	Yes	
8.2	When was EIA conducted and by who?	The EIA carried out by the Policy Officer and Strategy and Policy and Strategy Manager in November 2021.	
8.3	Results of EIA	The results did not indicate that there are any negative or differential impacts across any of the protected characteristics	
<b>9</b>	<b>Scheme of delegation</b>		
9.1	Responsible committee for approving and monitoring implementation of the Policy and any amendments to it	Operations Director -PCHA	
9.2	Responsible officer for formulating Policy and reporting to committee on its effective implementation	Operations Director-PCHA	
9.3	Responsible officer for formulating, reviewing and monitoring implementation of procedures	Operations Director-PCHA	
<b>10</b>	<b>Amendment log</b>		
	<b>Date of revision:</b>	<b>Reason for revision:</b>	<b>Consultation record:</b>
	<b>Record of amendments:</b>		
26 <sup>th</sup> February 2020	Policy reviewed in line with the Review Schedule	See section 6	<ul style="list-style-type: none"> <li>Change at 3.2.2 – The section has been revised in line with PCHA’s business practice in regards to compliance with Right to Repair Legislation.</li> </ul>
17 <sup>th</sup> November 2020	Policy reviewed due to change in operational practice	See Section 6	<ul style="list-style-type: none"> <li>Change of wording at 3.4.1.1, 3.4.1.2., 3.4.2.2</li> <li>Removal of payment for loss of earnings – no longer permitted in Policy</li> <li>Inclusion of BACs payments at 4.6</li> </ul>
6 <sup>th</sup> December 2021	Policy reviewed due to change in operational practice	See Section 6	There are no significant changes to the Policy in this review.

05/02/2024	As per board approval process, the review period for this policy has been extended to every 3 years	N/A	There have been no changes to the policy during this review except for review period dates.
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